

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Firestar Diamond Inc & Fantasy Inc (Combined)	Case No. 18-10509 (SHL) / 18-10511 (SHL)
Debtor	Reporting Period: 8/1/19 - 8/31/19
	Federal Tax I.D. # 27-0082729 Firestar Diamond Inc 90-0881673 Fantasy Inc

CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	See Exhibit A "Firestar & Fantasy Cash Register"	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)		
Copies of bank statements			Included
Cash disbursements journals		See Exhibit A " Firestar & Fantasy Cash Register"	
Statement of Operations	MOR-2	See Exhibit B "Firestar, Fantasy & Consolidated Income Statements"	
Balance Sheet	MOR-3	See Exhibit C "Firestar, Fantasy & Consolidated Balance Sheets"	
Status of Post-petition Taxes	MOR-4	Not applicable	
Copies of IRS Form 6123 or payment receipt		Not applicable	
Copies of tax returns filed during reporting period		Not applicable	
Summary of Unpaid Post-petition Debts	MOR-4	See Exhibit D "Post Petition Payables"	
Listing of Aged Accounts Payable			
Accounts Receivable Reconciliation and Aging	MOR-5		
Taxes Reconciliation and Aging	MOR-5		
Payments to Insiders and Professional	MOR-6		
Post Petition Status of Secured Notes, Leases Payable	MOR-6		
Debtor Questionnaire	MOR-7		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

/s/ Richard Levin, Chapter 11 Trustee

9/19/2019

This MOR reflects corrections from prior reports made to correctly reflect the Companies' financial statements.

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	Firestar United Bank Account (9796)	Fantasy United Bank Account (9842)	Current Month Total (All Accounts)
CASH BEGINNING OF MONTH	3,782,103	3,234,179	7,016,282
RECEIPTS			
Cash Sales	-	-	-
Collections On Pre-Petition Accounts Receivable	28,624	-	28,624
Collections On Post-Petition Accounts Receivable	-	-	-
Memo Sales	21,855	-	21,855
Sale Of Assets	6,971	-	6,971
Royalties	-	-	-
Other (Miscellaneous/T-Bill Proceeds)	-	-	-
Transfers (From DIP Accts)	-	-	-
TOTAL RECEIPTS	57,451	-	57,451
DISBURSEMENTS			
Net Payroll (Includes Employee's Payroll Taxes)	-	-	-
Payroll Taxes	-	-	-
Employee Benefits	-	-	-
Sales, Use, & Other Taxes	-	-	-
Utilities	-	-	-
Secured (Bank Loan Interest Payments & Quarterly Line Fee)/Rental/Leases	-	-	-
Insurance	-	-	-
Administrative	(177)	-	(177)
Logistics	-	-	-
Operations	-	-	-
Court Approved Wages, 503(B) 9 And Critical Vendors	-	-	-
Court Approved Bank Loan Payments	-	-	-
Restructuring	(12,103)	-	(12,103)
Investing Activities/90-Day Treasury Bill	(2,586,396)	(2,984,303)	(5,570,698)
Transfers (To DIP Accts)	-	-	-
Professional Fees	(639,506)	-	(639,506)
U.S. Trustee Quarterly Fees	(6)	-	(6)
Court Costs	-	-	-
TOTAL DISBURSEMENTS	(3,238,187)	(2,984,303)	(6,222,489)
Net Cash Flow (Receipts Less Disbursements)	(3,180,736)	(2,984,303)	(6,165,039)
CASH – END OF MONTH	601,367	249,877	851,244

In re Firestar Diamond Inc & Fantasy Inc (Combined)**Debtor**

8/1/19 - 8/31/19

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

	Firestar Diamond Inc	Fantasy Inc	Total
TOTAL DISBURSEMENTS	(3,238,187)	(2,984,303)	(6,222,489)
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS / PURCHASE OF 90-DAY TREASURY BILL / OTHER ESCROW ACCOUNT	2,586,396	2,984,303	5,570,698
PLUS: ESTATE DISBURSEMENTS MADE BY	-	-	-
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	(651,791)	-	(651,791)

BANK RECONCILIATIONS**Continuation Sheet for MOR-1**

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.

(Bank account numbers may be redacted to last four numbers.)

	Firestar United Bank Account (9796)	Fantasy United Bank Account (9842)
BALANCE PER BOOKS	601,367	249,877
BANK BALANCE	602,516	249,877
(+) DEPOSITS IN TRANSIT (<i>ATTACH LIST</i>)	-	-
(-) OUTSTANDING CHECKS (<i>ATTACH LIST</i>) :	(1,149)	-
OTHER (<i>ADJUSTMENTS TO BE POSTED TO BOOKS</i>)	-	-
ADJUSTED BANK BALANCE *	601,367	249,877

* "Adjusted Bank Balance" must equal "Balance per Books"

DEPOSITS IN TRANSIT	Ref. #	Amount	Date	Payor	Account
CHECKS OUTSTANDING	Ck. #	Amount	Date	Payee	Account
	110	1,149.00	01/29/19	CT Corporation	Firestar - 9796

OTHER

STATEMENT OF OPERATIONS (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	CURRENT MONTH	CUMULATIVE - FILING TO DATE
Gross Revenues	180,231	40,803,792
Less: Returns and Allowances	-	(7,126,874)
Net Revenue	180,231	33,676,918
COST OF GOODS SOLD		
Beginning Inventory	2,517,379	41,040,181
Add: Purchases (includes returned goods)	-	4,423,398
Add: Cost of Labor	-	263,339
Add: Other Costs/Adjustments	100,452	1,064,426
Less: Ending Inventory	2,322,785	2,322,785
Cost of Goods Sold	295,046	44,468,559
Gross Profit (Loss)	(114,816)	(10,791,641)
OPERATING EXPENSES		
Advertising & Marketing	-	488,900
Auto and Truck Expense	-	-
Bad Debts	-	9,076,146
Contributions	-	-
Employee Benefits	-	92,575
Officer/Insider Compensation*	-	235,967
Insurance	-	177,420
Management Fees/Bonuses	-	-
Office Expense	377	(86,450)
Pension & Profit-Sharing Plans	-	-
Repairs and Maintenance	-	-
Rent and Lease Expense	-	270,627
Salaries/Commissions/Fees	-	1,285,536
Show Expense	-	68,765
Supplies	-	-
Taxes - Payroll	-	136,230
Taxes - Real Estate	-	-
Taxes - Other	-	43,738
Travel and Entertainment	-	24,464
Utilities	-	19,716
Other (see MOR-2a Schedule)	2,500	774,289
Total Operating Expenses Before Depreciation	2,877	12,607,921
Depreciation/Depletion/Amortization	-	287,697
Net Profit (Loss) Before Other Income & Expenses	(117,692)	(23,687,259)
OTHER INCOME AND EXPENSES		
Other Income	-	58,375
Interest Expense	-	682,516
Other Expense (Bank Charges)	-	11,759
Net Profit (Loss) Before Reorganization Items	(117,692)	(24,381,534)

STATEMENT OF OPERATIONS (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	CURRENT MONTH	CUMULATIVE - FILING TO DATE
REORGANIZATION ITEMS		
Professional Fees (<i>see MOR-6</i>) as adjusted	311,667	7,080,253
U. S. Trustee Quarterly Fees	4,875	258,206
Adj due to prior accrual true-up	87,304	853,238
Loss due to writeoff of Other Assets, Fixed Assets and accrued liabilities and expenses	-	762,318
Gain on Redemption of Treasury Bill	-	(30,333)
Loss due to increase in Allowance for Bad Debt	-	6,419,541
Other Reorganization Expenses (<i>see below</i>)	10,000	1,398,624
Total Reorganization Expenses	413,846	16,741,848
Income Taxes	-	-
Net Profit (Loss)	(531,538)	(41,123,381)

**"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER REORGANIZATION EXPENSES

Legal Publication Fee for Bid Procedure	-	17,967
Adequate Protection Obligations (Bank's Attorneys' Fee)	-	1,153,621
V Discovery Fee	10,000	227,037

In re Firestar Diamond Inc & Fantasy Inc 18-10509 (SHL) / 18-
Debtor

OTHER EXPENSES (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

OTHER EXPENSES	CURRENT MONTH	CUMULATIVE - FILING TO DATE
Shipping Expense	-	(3,048)
Royalty Expense	-	163,010
Computer Expense	-	44,345
Back Office Expense	-	120,909
Vault Monitors	-	269,635
Bank Charges	-	17,123
Professional Fees (pre-petition invoices)	-	70,104
Miscellaneous	2,500	92,209
	2,500	774,288

In re Firestar Diamond Inc & Fantasy Inc (Combined)

Debtor

Case No. 10511 (SHL)

Reporting Period: 8/1/19 - 8/31/19

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
CURRENT ASSETS			
Unrestricted Cash and Equivalents	851,244	7,016,282	4,333,143
Restricted Cash and Cash Equivalents	5,570,698	-	-
Accounts Receivable (Net of Advertising Allowance)	964,577	813,173	21,045,799
Notes Receivable	-	-	-
Inventories	2,322,785	2,517,379	41,040,181
Prepaid Expenses	-	-	560,841
Professional Retainers	-	-	-
Other Current Assets (See tab "Balance Sheet")	-	-	-
TOTAL CURRENT ASSETS	9,709,304	10,346,835	66,979,964
PROPERTY & EQUIPMENT			
Real Property and Improvements	-	-	-
Machinery and Equipment	-	-	279,061
Furniture, Fixtures and Office Equipment	-	-	3,543,518
Leasehold Improvements	-	-	480,116
Vehicles	-	-	-
Less: Accumulated Depreciation	-	-	(3,798,079)
TOTAL PROPERTY & EQUIPMENT	-	-	504,616
OTHER ASSETS			
Amounts due from Insiders*	2,275,539	2,275,539	2,321,040
Other Assets	-	-	2,410,108
TOTAL OTHER ASSETS	2,275,539	2,275,539	4,731,148
TOTAL ASSETS	11,984,843	12,622,374	72,215,728

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)			
Accounts Payable (refer to FORM MOR-4 for breakdown)	19,575	19,575	-
Taxes Payable (refer to FORM MOR-4)	-	-	-
Wages Payable	-	-	-
Due to Escrow Account	-	-	-
Rent / Leases - Building/Equipment	-	-	-
Secured Debt / Adequate Protection Payments	-	-	-
Professional Fees	2,196,279	2,378,717	-
Amounts Due to Insiders*	-	-	-
Other Post-petition Liabilities (Accrued Disability & 401K Payable)	-	-	-
TOTAL POST-PETITION LIABILITIES	2,215,854	2,398,293	-
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)			
Secured Debt	-	-	20,079,007
Priority Debt	-	-	-
Deferred Taxes - Long Term	-	-	670,000
Deferred Rent	-	-	96,189
Unsecured Debt	44,101,659	44,073,035	44,627,706
TOTAL PRE-PETITION LIABILITIES	44,101,659	44,073,035	65,472,902
TOTAL LIABILITIES	46,317,513	46,471,327	65,472,902
OWNERS' EQUITY			
Capital Stock	110	110	110
Additional Paid-In Capital	4,705,790	4,705,790	4,705,790
Partners' Capital Account	-	-	-
Owner's Equity Account	-	-	-
Retained Earnings - Pre-Petition	2,036,926	2,036,926	2,036,926
Retained Earnings - Post-petition	(41,123,381)	(40,591,844)	-
Adjustments to Owner Equity (See Below)	-	-	-
Post-petition Contributions (attach schedule)	-	-	-
NET OWNERS' EQUITY	(34,380,555)	(33,849,018)	6,742,826
TOTAL LIABILITIES AND OWNERS' EQUITY	11,936,957	12,622,310	72,215,728

* "Insider" is defined in 11 U.S.C. Section 101(31).

47,886

BALANCE SHEET - continuation section

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets			
90-Day US Treasury Bill	5,570,698	-	-
Other Assets			
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Post-petition Liabilities			
Adjustments to Owner's Equity			
Gain/(Loss) on Sale of Assets			
Post-Petition Contributions			

In re Firestar Diamond Inc & Fantasy Inc (Combined)
DebtorCase No. 18-10509 (SHL) / 18-10511 (SHL)
Reporting Period: 8/1/19 - 8/31/19

STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
 Attach photocopies of any tax returns filed during the reporting period.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	-	-	-			-
FICA/Medicare-Employee	-	-	-			-
FICA/Medicare-Employer	-	-	-			-
Unemployment	-	-	-			-
Income	-	-	-			-
Other:	-	-	-			-
Total Federal Taxes	-	-	-	-	-	-
State and Local						
Withholding	-	-	-			-
Sales	-	-				-
Excise	-	-				-
Unemployment	-	-	-			-
Real Property	-	-				-
Personal Property	-	-				-
Other (Local):	-	-	-			-
Total State and Local	-	-	-			-
Total Taxes	-	-	-	-	-	-

SUMMARY OF UNPAID POST-PETITION DEBTS

Attached is the aged listing of accounts payable.

	Current	1-30	31-60	61-90	Over 91	Total
Accounts Payable	41,324	-	-	-	4,375	45,699
Plus Debit balances in Post-Petition A/P, which were added to A/R	-	-	-	-	-	-
Plus Credit balances in A/R, which were added to A/P	-	-	-	-	23,252	23,252
Wages Payable	-	-	-	-	-	-
Professional Fees (Accrued)	311,667	419,445	90,942	109,039	1,265,186	2,196,279
Amounts Due to Insiders (Accrued Payroll)	-	-	-	-	-	-
Other: (Accrued Disability & 401K Payable)	-	-	-	-	-	-
Other:	-	-	-	-	-	-
Total Post-petition Debts	352,991	419,445	90,942	109,039	1,292,813	2,265,230

Explain how and when the Debtor intends to pay any past due post-petition debts.

The Debtors expect to pay all Post-Petition debts with their existing cash

In re Firestar Diamond Inc & Fantasy Inc (Combined)
Debtor

Case No. 18-10509 (SHL) / 18-10511 (SHL)
Reporting Period: 8/1/19 - 8/31/19

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	7,107,059
Plus: Amounts billed (net) during the period	151,404
Less: Amounts collected during the period	(28,624)
Plus: Amounts due to Old AJ, Inc.	28,624
Total Accounts Receivable at the end of the reporting period	7,258,463

Aged by Invoice Date

Accounts Receivable Aging	1-30 Days	31-60 Days	61-90 Days	91+ Days	Total
1 - 30 days old	151,404				151,404
31 - 60 days old		-			-
61 - 90 days old			-		-
91+ days old				7,107,059	7,107,059
Total Accounts Receivable	151,404	-	-	7,107,059	7,258,463
Less Bad Debt Allowance & Accrued Advertising Allowance (includes \$30 variance)**	-	-	-	(6,419,541)	(6,419,541)
Net Accounts Receivable (Exclusive of Debit Balances & Inclusive of Credit Balances)	151,404	-	-	687,517	838,921
Plus Credit Balances in AR Aging	-	-	-	(23,252)	(23,252)
Plus Debit Balances in AP Aging	-	-	-	-	-
Net Accounts Receivable (Inclusive of Debit Balances and Exclusive of Credit Balances)	151,404	-	-	664,265	815,669

**This is a general reserve recorded for financial statement reporting purposes, according to GAAP (Generally Accepted Accounting Principles). It is not a write-off.

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS				
NAME	TYPE OF PAYMENT	AMOUNT PAID IN CURRENT PERIOD	DATE PAID	TOTAL PAID TO DATE
Mihir Bhansali	Reimbursement for Marketing Expense Paid			\$ 10,500.00
Mihir Bhansali	Reimbursement for Cell Phone Fee Paid			\$ 190.99
Mihir Bhansali	Net Payroll			\$ 12,736.81
Ajay Gandhi	Reimbursement for Telephone Expense Paid			\$ 300.00
Ajay Gandhi	Net Payroll			\$ 36,948.36
RSR Consulting	Director's Fee			\$ 47,220.00
	TOTAL PAYMENTS TO INSIDERS	\$ -		\$ 107,896.16

PROFESSIONALS							
NAME	APPLICABLE FEE PERIOD	AMOUNT OF MONTHLY FEE STATEMENT	AMOUNT APPROVED	AMOUNT PAID IN CURRENT MONTH	AMOUNT PAID IN PRIOR PERIODS	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Getzler Henrich & Associates , LLC	February 26, 2018 - March 31, 2018	95,498	95,498	-	95,498	95,498	-
Getzler Henrich & Associates , LLC	April 1, 2018 - April 30, 2018	73,256	73,256	-	73,256	168,754	-
Getzler Henrich & Associates , LLC	May 1, 2018 - May 31, 2018	104,230	104,230	-	104,230	272,984	-
Getzler Henrich & Associates , LLC	June 1, 2018 - June 30, 2018	81,578	81,578	-	81,578	354,562	-
Getzler Henrich & Associates , LLC	July 1, 2018 - August 4, 2018	116,280	116,280	-	116,280	470,842	-
Getzler Henrich & Associates , LLC	August 5, 2018 - September 1, 2018	80,898	80,898	-	80,898	551,420	320
Getzler Henrich & Associates , LLC	September 2, 2018 - September 30, 2018	71,090	71,090	-	71,090	622,581	248
Getzler Henrich & Associates , LLC	October 1, 2018 - October 27, 2018	48,493	48,493	-	48,493	671,140	182
Getzler Henrich & Associates , LLC	October 28, 2018 - December 1, 2018	28,328	28,328	-	28,403	699,543	107
Getzler Henrich & Associates , LLC	December 1, 2018 - December 31, 2018	16,444	16,444	-	-	699,543	16,551
Getzler Henrich & Associates , LLC - Accrued	January 1, 2019 - January 31, 2019	16,000	-	-	-	699,543	32,551
Getzler Henrich & Associates , LLC - Accrued	February 1, 2019 - February 28, 2019	5,000	-	-	-	699,543	37,551
Getzler Henrich & Associates , LLC - Accrued	March 1, 2019 - March 31, 2019	2,000	-	-	-	699,543	39,551
Klestadt Winters Jureller Southard & Stevens LLP	February 26, 2018 - March 31, 2018	343,770	275,298	-	-	-	343,770
Klestadt Winters Jureller Southard & Stevens LLP	April 1, 2018 - April 30, 2018	166,497	133,589	-	408,917	408,917	101,350
Klestadt Winters Jureller Southard & Stevens LLP	May 1, 2018 - May 31, 2018	166,543	133,985	-	133,985	542,902	133,908
Klestadt Winters Jureller Southard & Stevens LLP	June 1, 2018 - June 14, 2018	50,294	-	-	40,504	583,406	143,698
Forchelli Deegan Terrana LLP	February 26, 2018 - March 31, 2018	14,593	11,674	-	-	-	14,593
Forchelli Deegan Terrana LLP	April 1, 2018 - April 30, 2018	3,569	2,855	-	14,529	14,529	3,632
Forchelli Deegan Terrana LLP	May 1, 2018 - May 31, 2018	4,095	3,276	-	-	14,529	7,727
Forchelli Deegan Terrana LLP	June 1, 2018 - June 3, 2018	1,107	936	-	4,246	18,775	4,588
Lackenbach Siegel, LLP	February 26, 2018 - March 31, 2018	23,855	19,168	-	19,168	-	4,688
Lackenbach Siegel, LLP	April 1, 2018 - April 30, 2018	15,173	12,977	-	-	-	19,860
Lackenbach Siegel, LLP	May 1, 2018 - May 31, 2018	20,740	17,008	-	29,975	29,975	10,626
Lackenbach Siegel, LLP	June 1, 2018 - June 14, 2018	4,954	3,963	-	3,963	33,938	11,616
Lackenbach Siegel, LLP	June 15, 2018 - July 31, 2018	19,156	15,325	-	-	33,938	30,772
Lackenbach Siegel, LLP	August 1, 2018 - August 31, 2018	32,619	26,674	-	39,960	73,898	23,432
Lackenbach Siegel, LLP	September 1, 2018 - November 30, 2018	22,442	18,119	-	18,119	92,017	27,754
Lackenbach Siegel, LLP	December 1, 2018 - December 31, 2018	7,770	6,568	-	-	92,017	35,524
Lackenbach Siegel, LLP	January 1, 2019 - January 31, 2019	3,217	2,730	-	9,298	101,315	29,443
Lackenbach Siegel, LLP	February 1, 2019 - March 31, 2019	10,199	9,403	-	21,393	122,708	18,249
Lackenbach Siegel, LLP	April 1, 2019 - April 30, 2019	8,937	7,662	7,662	24,955	155,325	(5,430)
Lackenbach Siegel, LLP	May 1, 2019 - June 30, 2019	6,567	5,430	-	-	155,325	1,136
Marks Paneth LLP	February 26, 2018 - March 31, 2018	180,214	144,171	-	-	-	180,214
Marks Paneth LLP	April 1, 2018 - April 30, 2018	87,345	69,876	-	214,047	214,047	53,512
Marks Paneth LLP	May 1, 2018 - May 31, 2018	87,086	69,668	-	69,668	283,715	70,929
Marks Paneth LLP	June 1, 2018 - June 30, 2018	127,955	44,122	-	44,122	327,837	154,762
Baker Hostetler LLP (examiner)	April 1, 2018 - April 30, 2018	4,484	3,587	-	3,587	3,587	897
Baker Hostetler LLP (examiner)	May 1, 2018 - May 31, 2018	14,160	11,328	-	11,328	14,915	3,729
Baker Hostetler LLP (examiner)	June 1, 2018 - June 30, 2018	5,517	4,413	-	4,413	19,328	4,832
Baker Hostetler LLP (examiner)	July 1, 2018 - July 31, 2018	6,136	4,909	-	4,909	24,237	6,059
Baker Hostetler LLP (examiner)	August 1, 2018 - August 31, 2018	27,052	21,641	-	21,641	45,878	11,470
Baker Hostetler LLP (examiner)	September 1, 2018 - September 30, 2018	3,294	2,645	-	8,704	54,583	6,059

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS				
NAME	TYPE OF PAYMENT	AMOUNT PAID IN CURRENT PERIOD	DATE PAID	TOTAL PAID TO DATE
Mihir Bhansali	Reimbursement for Marketing Expense Paid			\$ 10,500.00
Mihir Bhansali	Reimbursement for Cell Phone Fee Paid			\$ 190.99
Mihir Bhansali	Net Payroll			\$ 12,736.81
Ajay Gandhi	Reimbursement for Telephone Expense Paid			\$ 300.00
Ajay Gandhi	Net Payroll			\$ 36,948.36
RSR Consulting	Director's Fee			\$ 47,220.00
	TOTAL PAYMENTS TO INSIDERS	\$ -		\$ 107,896.16

PROFESSIONALS							
NAME	APPLICABLE FEE PERIOD	AMOUNT OF MONTHLY FEE STATEMENT	AMOUNT APPROVED	AMOUNT PAID IN CURRENT MONTH	AMOUNT PAID IN PRIOR PERIODS	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Baker Hostetler LLP (attorney for examiner)	April 1, 2018 - April 30, 2018	34,823	27,863	-	27,863	27,863	6,960
Baker Hostetler LLP (attorney for examiner)	May 1, 2018 - May 31, 2018	121,921	97,720	-	32,131	59,995	96,749
Baker Hostetler LLP (attorney for examiner)	June 1, 2018 - June 30, 2018	127,747	104,019	-	44,087	104,082	180,410
Baker Hostetler LLP (attorney for examiner)	July 1, 2018 - July 31, 2018	126,553	102,865	-	40,038	144,120	266,925
Baker Hostetler LLP (attorney for examiner)	August 1, 2018 - August 31, 2018	272,096	219,598	-	-	144,120	539,021
Baker Hostetler LLP (attorney for examiner)	September 1, 2018 - September 30, 2018	17,715	15,481	-	423,141	567,261	133,595
Baker Hostetler LLP (attorney for examiner)	October 1, 2018 - October 31, 2018	14,314	11,461	-	139,541	706,802	8,368
Baker Hostetler LLP (attorney for examiner)	October 1, 2018 - December 31, 2018	3,953	3,162	-	-	706,802	12,321
Baker Hostetler LLP (attorney for examiner)	January 1, 2019 - March 31, 2019	2,744	2,208	-	4,416	711,218	10,649
Baker Hostetler LLP (attorney for examiner)	April 1, 2019 - April 30, 2019	1,627	1,302	-	2,603	713,821	9,672
Baker Hostetler LLP (attorney for examiner)	May 1, 2019 - May 31, 2019	701	561	-	2,603	716,425	7,770
Alvarez & Marsal (FA for examiner)	April 19, 2018 - May 31, 2018	90,234	72,986	-	46,541	46,541	43,693
Alvarez & Marsal (FA for examiner)	June 1, 2018 - June 30, 2018	149,735	120,209	-	41,500	88,040	151,928
Alvarez & Marsal (FA for examiner)	July 1, 2018 - July 31, 2018	130,925	105,383	-	40,053	128,093	242,800
Alvarez & Marsal (FA for examiner)	August 1, 2018 - August 31, 2018	124,157	99,378	-	318,410	446,504	48,547
Jenner & Block LLP (Trustee)	June 14, 2018 - July 31, 2018	191,586	153,772	-	154,046	154,046	37,540
Jenner & Block LLP (Trustee)	August 1, 2018 - August 31, 2018	113,573	91,388	-	91,388	245,434	59,725
Jenner & Block LLP (Trustee)	September 1, 2018 - September 30, 2018	102,882	82,305	-	82,379	327,814	80,228
Jenner & Block LLP (Trustee)	October 1, 2018 - October 31, 2018	105,943	85,322	-	85,322	413,136	100,848
Jenner & Block LLP (Trustee)	November 1, 2018 - November 30, 2018	61,278	49,247	-	49,247	462,383	112,879
Jenner & Block LLP (Trustee)	December 1, 2018 - December 31, 2018	90,137	72,521	-	72,521	534,904	130,495
Jenner & Block LLP (Trustee)	January 1, 2019 - January 31, 2019	127,126	101,916	-	101,916	636,820	155,704
Jenner & Block LLP (Trustee)	February 1, 2019 - February 28, 2019	110,418	88,509	-	88,509	725,330	177,613
Jenner & Block LLP (Trustee)	March 1, 2019 - March 31, 2019	257,001	206,016	-	206,016	931,346	228,599
Jenner & Block LLP (Trustee)	April 1, 2019 - April 30, 2019	237,935	191,205	-	191,205	1,122,550	275,329
Jenner & Block LLP (Trustee)	May 1, 2019 - May 31, 2019	250,737	200,765	-	200,765	1,323,316	325,300
Jenner & Block LLP (Trustee)	June 1, 2019 - June 30, 2019	215,649	172,817	172,817	-	1,496,133	368,132
Jenner & Block LLP (Trustee)	July 1, 2019 - July 31, 2019	258,023	206,941	-	-	1,496,133	626,155
Jenner & Block LLP (Trustee)	August 1, 2019 - August 31, 2019	208,728	-	-	-	1,496,133	834,883
Chapter 11 Trustee	June 14, 2018 - July 31, 2018	379,967	303,974	-	303,974	303,974	75,993
Chapter 11 Trustee	November 1, 2018 - November 30, 2018	189,219	-	-	-	303,974	265,212
Chapter 11 Trustee	December 1, 2018 - December 31, 2018	32,618	-	-	-	303,974	297,831
Chapter 11 Trustee	January 1, 2019 - January 31, 2019	6,041	-	-	-	303,974	303,872
Chapter 11 Trustee	February 1, 2019 - February 28, 2019	7,540	-	-	-	303,974	311,412
Chapter 11 Trustee	March 1, 2019 - March 31, 2019	5,419	-	-	-	303,974	316,831
Chapter 11 Trustee	April 1, 2019 - April 30, 2019	6,862	-	-	-	303,974	323,692
Chapter 11 Trustee	May 1, 2019 - May 31, 2019	11,518	-	-	-	303,974	335,211
Chapter 11 Trustee	June 1, 2019 - June 30, 2019	12,154	-	-	-	303,974	347,365
Chapter 11 Trustee	July 1, 2019 - July 31, 2019	13,654	-	-	-	303,974	361,019
Chapter 11 Trustee	August 1, 2019 - August 31, 2019	19,554	-	-	-	303,974	380,573
Alvarez & Marsal (FA for Trustee)	June 1, 2018 - June 30, 2018	12,000	9,600	-	-	-	12,000
Alvarez & Marsal (FA for Trustee)	July 1, 2018 - July 31, 2018	17,207	13,771	-	23,371	23,371	5,836
Alvarez & Marsal (FA for Trustee)	August 1, 2018 - August 31, 2018	44,263	35,411	-	35,411	58,782	14,689
Alvarez & Marsal (FA for Trustee)	September 1, 2018 - September 30, 2018	139,726	111,873	-	111,873	170,655	42,542
Alvarez & Marsal (FA for Trustee)	October 1, 2018 - October 31, 2018	147,162	117,927	-	117,927	288,582	71,777
Alvarez & Marsal (FA for Trustee)	November 1, 2018 - November 30, 2018	71,960	57,591	-	57,591	346,173	86,146
Alvarez & Marsal (FA for Trustee)	December 1, 2018 - December 31, 2018	76,658	61,347	-	122,624	468,797	40,179
Alvarez & Marsal (FA for Trustee)	January 1, 2019 - January 31, 2019	63,437	50,820	-	-	468,797	103,616
Alvarez & Marsal (FA for Trustee)	February 1, 2019 - February 28, 2019	54,592	43,928	-	32,280	501,077	125,928
Alvarez & Marsal (FA for Trustee)	March 1, 2019 - March 31, 2019	126,521	101,814	-	101,814	602,891	150,635
Alvarez & Marsal (FA for Trustee)	April 1, 2019 - April 30, 2019	157,319	127,233	-	127,233	730,124	180,720
Alvarez & Marsal (FA for Trustee)	May 1, 2019 - May 31, 2019	142,324	113,805	-	113,805	843,929	209,239
Alvarez & Marsal (FA for Trustee)	June 1, 2019 - June 30, 2019	168,963	135,192	135,192	-	979,122	243,010
Alvarez & Marsal (FA for Trustee)	July 1, 2019 - July 31, 2019	118,330	94,665	-	-	979,122	2,209,661,340
Alvarez & Marsal (FA for Trustee)	August 1, 2019 - August 31, 2019	83,226	-	-	-	979,122	444,566

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS				
NAME	TYPE OF PAYMENT	AMOUNT PAID IN CURRENT PERIOD	DATE PAID	TOTAL PAID TO DATE
Mihir Bhansali	Reimbursement for Marketing Expense Paid			\$ 10,500.00
Mihir Bhansali	Reimbursement for Cell Phone Fee Paid			\$ 190.99
Mihir Bhansali	Net Payroll			\$ 12,736.81
Ajay Gandhi	Reimbursement for Telephone Expense Paid			\$ 300.00
Ajay Gandhi	Net Payroll			\$ 36,948.36
RSR Consulting	Director's Fee			\$ 47,220.00
TOTAL PAYMENTS TO INSIDERS		\$ -		\$ 107,896.16

PROFESSIONALS							
NAME	APPLICABLE FEE PERIOD	AMOUNT OF MONTHLY FEE STATEMENT	AMOUNT APPROVED	AMOUNT PAID IN CURRENT MONTH	AMOUNT PAID IN PRIOR PERIODS	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Gem Certification & Assurance Lab, Inc.	August 1, 2018 - August 31, 2018	44,188	35,350	-	35,350	35,350	8,838
Gem Certification & Assurance Lab, Inc.	September 1, 2018 - September 30, 2018	73,050	58,440	-	58,440	93,790	23,448
Gem Certification & Assurance Lab, Inc.	October 1, 2018 - October 31, 2018	29,313	23,450	-	23,450	117,240	29,310
Gem Certification & Assurance Lab, Inc.	November 1, 2018 - November 30, 2018	24,363	19,490	-	19,490	136,730	34,183
Gem Certification & Assurance Lab, Inc.	December 1, 2018 - December 31, 2018	36,375	29,100	-	29,100	165,830	41,458
Gem Certification & Assurance Lab, Inc.	January 1, 2019 - January 31, 2019	39,038	31,230	-	31,230	197,060	49,265
Gem Certification & Assurance Lab, Inc.	February 1, 2019 - February 28, 2019	32,425	25,940	-	25,940	223,000	55,750
Gem Certification & Assurance Lab, Inc.	March 1, 2019 - March 31, 2019	30,238	24,190	-	24,190	247,190	61,798
Gem Certification & Assurance Lab, Inc.	April 1, 2019 - April 30, 2019	41,963	33,570	-	33,570	280,760	70,190
Gem Certification & Assurance Lab, Inc.	May 1, 2019 - May 31, 2019	87,111	78,253	78,253	-	359,013	79,048
Gem Certification & Assurance Lab, Inc.	June 1, 2019 - June 30, 2019	34,044	29,235	29,235	-	388,248	83,856
Gem Certification & Assurance Lab, Inc. - Accrued	July 1, 2019 - July 31, 2019	31,563	-	-	-	388,248	115,419
Whitley Penn, LLP	November 14, 2018 - January 31, 2019	36,518	29,248	-	29,248	29,248	7,270
Whitley Penn, LLP	June 1, 2018 - July 31, 2019	4,545	-	7,270	-	36,518	4,545
Frankfurt Kurnit Klein & Selz, P.C.	March 31, 2019 - April 30, 2019	5,508	4,406	-	-	-	5,508
Frankfurt Kurnit Klein & Selz, P.C.	May 1, 2019 - May 31, 2019	8,919	7,135	-	11,542	11,542	2,885
Frankfurt Kurnit Klein & Selz, P.C.	June 1, 2019 - June 30, 2019	600	480	-	-	11,542	3,485
Frankfurt Kurnit Klein & Selz, P.C.	July 1, 2019 - July 31, 2019	2,294	1,835	2,135	-	13,677	3,644
Michael J. Agusta, Esq. as Counsel	August 13, 2018 - January 31, 2019	6,538	-	-	-	-	6,538
TOTAL PAYMENTS TO PROFESSIONALS		8,435,515	6,296,323	432,565	5,806,672	6,220,068	2,196,279

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED, PER THE MONTHLY FEE STATEMENT FILED.

**POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE
 AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
		-	-

In re Firestar Diamond Inc & Fantasy Inc (Combined)
Debtor

Case No. 18-10509 (SHL) / 18-10511 (SHL)
Reporting Period: 8/1/19 - 8/31/19

DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.	Yes	No
1 Have any assets been sold or transferred outside the normal course of business this reporting period? *	X	
2 Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3 Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4 Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5 Is the Debtor delinquent in paying any insurance premium payment?		X
6 Have any payments been made on pre-petition liabilities this reporting period?		X
7 Are any post petition receivables (accounts, notes or loans) due from related parties? **	X	
8 Are any post petition payroll taxes past due?		X
9 Are any post petition State or Federal income taxes past due?		X
10 Are any post petition real estate taxes past due?		X
11 Are any other post petition taxes past due?		X
12 Have any pre-petition taxes been paid during this reporting period?		X
13 Are any amounts owed to post petition creditors delinquent?		X
14 Are any wage payments past due?		X
15 Have any post petition loans been received by the Debtor from any party?		X
16 Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17 Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18 Have the owners or shareholders received any compensation outside of the normal course of business?		X

* Inventory Asset Sales of \$158,375 occurred during the period.

** Operating Expenses from Old AJ, Inc.

Firestar Diamond, Inc.

Cash Register

8/1/19 - 8/31/19

Firestar Diamond Inc. Detail Trial Balance

Includes Activities from August 1, 2019 to August 31, 2019

Firestar United Bank Account (9796)

Posting Date	Description	Debit Activities	Credit Activities	Balance
	Beginning Balance			3,782,102.83
8/1/2019	Zale Corporation	2,103.16		
8/1/2019	Zale Corporation	1,233.43		
8/1/2019	Zale Canada Corporation	1,656.12		
8/2/2019	U.S. Treasury		(2,586,395.50)	
8/6/2019	Kroger	13,650.82		
8/6/2019	Lackenbach Siegel LLP		(7,662.16)	
8/6/2019	Jenner & Block LLP		(172,817.18)	
8/6/2019	Gem Certification and Assurance Lab LLC		(29,235.00)	
8/6/2019	Frankfurt, Kurnit, Klein & Selz First Republic Bank		(2,134.80)	
8/6/2019	Alvarez & Marsal Disputes & Invefstigations LLC		(135,192.46)	
8/8/2019	vDiscovery		(9,295.37)	
8/8/2019	Gem Certification and Assurance Lab LLC		(78,253.21)	
8/12/2019	Whitley Penn LLP		(7,269.90)	
8/13/2019	Sterling Jewelers	3,211.66		
8/15/2019	Fairway Diamond Inc.	1,559.00		
8/15/2019	Luisa Mateus	2,282.03		
8/15/2019	Franny Guan	3,130.31		
8/15/2019	Omni Management Group		(2,807.21)	
8/20/2019	Michael J. Augusta Esq./Tresor Jewelers	1,807.00		
8/20/2019	Michael J. Augusta Esq./Farah Jewelers	12,631.27		
8/20/2019	Michael J. Augusta Esq./KVS Designs	3,874.07		
8/20/2019	Michael J. agusta Esq./Motiff Jewelry Design	10,311.87		
8/20/2019	U.S. Trustee		(6.23)	
8/22/2019	Iron Mountain		(176.52)	
8/30/2019	Jenner & Block LLP Bank		(206,941.45)	
	Ending Balance	57,450.74	(3,238,186.99)	601,366.58

January 2019 Total	Amount
A/R Collections (Pre Petition)	28,624.21
A/R Collections (Post Petition)	-
Memo Sales (Post Petition)	21,855.19
Receipt from A. Jaffe (Affiliate) for shared expenses	-
Miscellaneous Deposits	-
Sale of Assets	6,971.34
Royalties (Receipts)	-
V Discovery (Restructuring Costs)	9,295.37
Claims Agent Reorg	2,807.21
US Trustee	6.23
Jenner/Trustee (Professional Fees)	379,758.63
Financial Advisors (MP and A&M) (Professional Fees)	135,192.46
Whitley Penn (Professional Fees)	7,269.90
Baker & Hostetler (Professional Fees)	-
Lackenbach Siegel LLP (Professional Fees)	7,662.16
Frankfurt Kurnit Klein & Selz (Professional Fees)	2,134.80
CRO (Professional Fees)	-
GCAL (Professional Fees)	107,488.21
Transfers to DIP Accounts	-
Transfers from DIP Accounts	-
Contractor (Operations)	-
Appraisals (Operations)	-
Royalties (Operations)	-
Freight In (Operations)	-
Other Cost of Sales (Operations)	-
Security Expenses (Operations)	-
Office Expenses/Bank Charges (Administrative)	176.52
Investing Activities	2,586,395.50
Net Payroll (Includes Employee's Taxes)	-
Sales, Use, & Other Taxes	-
Employee Benefits	-
Insurance (Worker's Comp, Jeweler's Block & Other)	-
Telephone Expenses	-
Total GL Account Movement (Debits + Credits)	3,295,637.73

Fantasy Inc.

Cash Register

8/1/19 - 8/31/19

Detail Trial Balance

Includes Activities from August 1, 2019 to August 31, 2019

Fantasy, Inc.

United Bank Account #9842

Posting Date	Desc.	Debit	Credit	Balance	Amount	Description
	Beginning Balance			3,234,179		
8/2/2019	Purchase 90-day T-bill		(2,984,302.50)			
	Total Activities			(2,984,303)		
	Ending Balance			249,877		
	Report Total Beginning Balance. . .			3,234,179		
	Report Total Activities			(2,984,303)		
	Report Total Ending Balance . . .			6,218,482		

	<u>8/1/2019 -</u> <u>8/31/2019</u>
SALES	
Sales - Regular	158,375
Sales - Memo Reporting	<u>21,855</u>
	<u>180,231</u>
COST OF GOODS SOLD	
COGS - Regular	295,046
COGS - Memo Reporting	<u>-</u>
	<u>295,046</u>
GROSS PROFIT	<u>(114,816)</u>
NET SALES	180,231
COGS - NET SALES	295,046
GROSS PROFIT NET OF RETURNS	(114,816)
OTHER INCOME	
Royalty Income	-
REVISED GROSS PROFIT	<u>(114,816)</u>
GENERAL & ADMIN EXP.	
Miscellaneous Exp.	177
Storage Expenses	200
Legal Fees	311,667
Professional Fees - Other	10,000
Omni Management Fee	2,500
UST Accrual	<u>4,875</u>
	<u>329,418</u>
TOTAL EXP. BEFORE INT & DEP	329,418
EBIT	(444,234)
Loss due to Accrual True/Up	(87,304)
NET LOSS	<u>(531,538)</u>

FANTASY, INC.
INCOME STATEMENT
FOR THE PERIOD (8/1/19 - 8/31/19)

	<u>8/1/2019 -</u> <u>8/31/2019</u>
SALES	
Sales - Regular	-
Sales - Memo Reporting	-
	<u> </u>
COST OF GOODS SOLD	
COGS - Regular	-
COGS - Memo Reporting	-
	<u> </u>
GROSS PROFIT	-
Returns - Regular	-
COGS - Regular / Returns	-
	<u> </u>
NET SALES	-
COGS - NET SALES	-
	<u> </u>
GROSS PROFIT NET OF RETURNS	-
	<u> </u>
REVISED GROSS PROFIT	-
	<u> </u>
EBIT	-
Loss due to Accrual and Intercompany Liability True/Up	-
Gain on Redemption of Treasury Bill	-
	<u> </u>
NET LOSS BEFORE TAXES	-
	<u> </u>
NET LOSS	<u> </u> <u> </u> <u> </u>

	8/1/2019 - 8/31/2019	August Groupings	
SALES			
Sales - Regular	158,375	180,231	Gross Sales
Sales - Memo Reporting	21,855	-	Returns and Allowances
Sales - Assets	-	180,231	Net Sales
Sales - Diamonds	-	2,517,379	Beginning Inventory
	180,231	-	Purchases
		-	Direct Labor
		-	Writeoff of Inventory
		-	Appraisal Fees
		-	Freight In
		-	Other Cost of Sales/Adjustments
		-	Ending Inventory
		-	Cost of Goods Sold
COST OF GOODS SOLD			
COGS - Regular	295,046	-	Gross Profit
COGS - Memo Reporting	-	-	
COGS - Closeouts	-	100,452	Royalty Income
COGS - Diamonds	-	(2,322,785)	
Royalty Expenses	-	295,046	
Advertising Co-Op.	-	-	
Markdowns & Allowances	-	(114,816)	
Chargeback Write-Off	-	-	
Appraisal Fees	-	-	
Shipping Exp	-	-	
Purchase - Freight	-	-	
GemEx - Grading	-	-	
Salaries - Navy	-	-	
Selling Commissions	-	-	
Display Cases, Trays & Boxes	-	-	
Labels & Tags	-	-	
Anticipation Expenses	-	-	
EDI Services	-	-	
Vendor Portal Charges	-	-	
Outside Labor	-	-	
Repairs	-	-	
Other	-	-	
	295,046	311,667	Professional Fees
GROSS PROFIT	(114,816)	-	Depreciation and Amortization
Returns - Regular	-	-	Rent
	-	-	Computer Expenses
COGS - Regular / Returns	-	-	Back Office Expense
	-	-	Vault Monitors
	-	377	Payroll Taxes
	-	-	Employee Benefits
	-	-	Insurance
	-	-	Office Expenses
	-	-	Telephone Expenses
NET SALES	180,231	312,043	G&A
COGS - NET SALES	295,046	-	Bank Charges
GROSS PROFIT NET OF RETURNS	(114,816)	-	Interest Expense
		-	Bank Attorney Fees
		2,500	Omni Management Fee
OTHER DILUTION ITEMS		-	Director Fee
Dilution On Returns / Melt Loss	-	4,875	CRO
OTHER INCOME		-	US Trustee
Royalty Income	-	10,000	V Discovery
		87,304	Loss due to Accrual True Up
		-	Gain on Redemption of Treasury Bill
REVISED GROSS PROFIT	(114,816)	(531,538)	Net Loss

	8/1/2019 - 8/31/2019	August Groupings
GENERAL & ADMIN EXP.		
Miscellaneous Exp.	177	
Storage Expenses	200	
Legal Fees	311,667	
Professional Fees - Other	10,000	
Omni Management Fee	2,500	
UST Accrual	4,875	
	<u>329,418</u>	
Loss due to Accrual True/Up	87,304	
Gain on Redemption of T Bill	-	
TOTAL EXP. BEFORE INT & DEP	<u>416,722</u>	
EBIT	<u>(531,538)</u>	
NET LOSS BEFORE TAXES	<u>(531,538)</u>	
CORPORATE TAXES		
Provision for Taxes - Other States	-	
	<u>-</u>	
NET LOSS	<u>(531,538)</u>	

FIRESTAR DIAMOND, INC.

**BALANCE SHEET (INCLUDES INTERCOMPANY BALANCE WITH FANTASY INC)
FOR THE PERIOD (8/1/19 - 8/31/19)**

	<u>8/31/2019</u>
CURRENT ASSETS	
Cash - United Bank Account	601,367
Cash Equivalents - US Treasury Bill	2,586,396
Accounts Receivables	6,880,591
Allowance for Bad Debts	<u>(6,419,541)</u>
	3,648,812
OTHER ASSETS	
Due from FGI - CP	(59,593)
Loans & Exchanges	2,335,132
Investment in Subsidiary	<u>250,000</u>
	2,525,539
INVENTORY	
Inventory - Finished Goods	1,029,869
Inventory - Memo Consignment	<u>1,174,280</u>
	2,204,149
TOTAL ASSETS	8,378,500
CURRENT LIABILITIES	
Accounts Payable	29,559,845
Accrued Professional Fees	<u>2,196,279</u>
	31,756,124
LOANS PAYABLE	
Sub-Debt - Synergies Corp.	7,941,500
Sub-Debt - Firestar Holdings Ltd - HK	<u>4,058,500</u>
	12,000,000
CAPITAL ACCOUNT	
Common Stock	110
Paid In Capital	4,705,790
Retained Earnings	<u>(39,599,872)</u>
Net Income / (Loss)	<u>(531,538)</u>
	(35,425,510)
TOTAL LIABILITIES & RETAINED EARNINGS	8,330,614

FANTASY, INC.

**BALANCE SHEET (INCLUDES INTERCOMPANY
BALANCE WITH FIRESTAR DIAMOND INC)
FOR THE PERIOD (8/1/19 - 8/31/19)**

	<u>8/31/2019</u>
CURRENT ASSETS	
Cash In Bank	249,877
Cash Equivalents - US Treasury Bill	2,984,303
Accounts Receivables	<u>362,705</u>
	<u>3,596,885</u>
INVENTORY	
Inventory - Finished Goods	-
Inventory - Memo Consignment	<u>118,636</u>
	<u>118,636</u>
TOTAL ASSETS	<u>3,715,521</u>
CURRENT LIABILITIES	
Accounts Payable	<u>2,420,566</u>
	<u>2,420,566</u>
CAPITAL ACCOUNT	
Common Stock	100
Paid In Capital	249,900
Retained Earnings	1,044,955
Net Income / (Loss)	-
	<u>1,294,955</u>
TOTAL LIABILITIES & RETAINED EARNINGS	<u>3,715,521</u>

18,105,09-shl Doc 1087 Filed 09/19/19 Entered 09/19/19 21:24:22 Main Document
 FIRESTAR DIAMOND INC. / FANTASY, INC. CONSOLIDATED BALANCE SHEET Pg 24 of 36
 FOR THE PERIOD (8/1/19 - 8/31/19)

	8/31/2019	INTERCOMPANY ELIMINATIONS	CONSOLIDATED 8/31/2019	Groupings	
CURRENT ASSETS					
Cash - United Bank Account	851,244		851,244	851,244	Cash
Cash Equivalents - US Treasury Bill	5,570,698		5,570,698	5,570,698	U.S. Treasury 90-Day T-Bill
Accounts Receivables	7,243,296	140,823	7,384,119	964,577	A/R
Allowance for Bad Debts	(6,419,541)		(6,419,541)		
	7,245,696		7,386,519	7,386,519	Total Current Assets
OTHER ASSETS					
Due from FGI - CP (Related Party)	(59,593)		(59,593)	2,275,539	Amount due from Insiders
Loans & Exchanges (Related Parties)	2,335,132		2,335,132		
Investment in Subsidiary	250,000	(250,000)	-		Other Assets
	2,525,539		2,275,539		
INVENTORY					
Inventory - Finished Goods	1,029,869		1,029,869		
Inventory - Memo Consignment	1,292,916		1,292,916		
	2,322,785		2,322,785	2,322,785	Inventory
TOTAL ASSETS	12,094,021	(109,177)	11,984,844	11,984,843	Total Assets
CURRENT LIABILITIES					
Accounts Payable	31,980,411	140,823	32,121,234		
Accrued Professional Fees	2,196,279		2,196,279	2,196,279	Post Petition Accrued Professional Fees
	34,176,690		34,317,513	44,121,234	Unsecured Debt
LOANS PAYABLE					
Sub-Debt - Synergies Corp.	7,941,500		7,941,500		
Sub-Debt - Firestar Holdings Ltd - HK	4,058,500		4,058,500		
	12,000,000		12,000,000		
CAPITAL ACCOUNT					
Common Stock	210	(100)	110	110	Capital Stock
Paid In Capital	4,955,690	(249,900)	4,705,790	4,705,790	Additional Paid In Capital
Retained Earnings	(38,554,917)		(38,554,917)	(39,086,455)	Retained Earnings
Net Income / (Loss)	(531,538)		(531,538)		
	(34,130,555)	(250,000)	(34,380,555)		
TOTAL LIABILITIES & RETAINED EARNINGS	12,046,135	(109,177)	11,936,957	11,936,957	Total Liabilities and Retained Earnings

Firestar Diamond Inc / Fantasy Inc

Consolidated Post-Petition A/P

As of 8/31/19

By Vendor

Firestar Diamond, Inc.

Vendor	Balance Due	Current	Up to 30 Days	31-60 Days	Over 60 Days
Omni Management - Accrued	2,500	2,500	-	-	-
V Discovery - Accrued	10,000	10,000	-	-	-
Cost Reduction Solutions	4,375	-	-	-	4,375
Iron Mountain Storage Fees - Accrued	200	200	-	-	-
Old AJ, Inc.	28,624	28,624	-	-	-
Totals	45,699	41,324	-	-	4,375

Fantasy, Inc.

Vendor	Balance Due	Current	Up to 30 Days	31-60 Days	Over 60 Days
Totals	-	-	-	-	-
Combined Totals	45,699	41,324	-	-	4,375

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 West Springfield, MA 01090-9020
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Date 8/30/19

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[REDACTED]
 Richard Levin
 Jenner & Block LLP
 919 Third Ave.
 New York NY 10022

Questions:
 (800) 634-7734
Banking@BMSAdvantage.com
 BMSAdvantage.com

Case Number: 18-10509
 Case Name: Firstar Diamond Inc.
 Debtor
 Trustee Number: 520258
 Trustee Name: Richard Levin
 Trustee

SUMMARY OF ACCOUNTS

ACCOUNT NUMBER	TYPE OF ACCOUNT	ENDING BALANCE
XXXXXXXXXXXX9796	CHECKING	602,515.58
XXXXXXXXXXXX4617	CHECKING	91,498.35
XXXXXXXXXXXX4625	CHECKING	63,311.54
XXXXXXXXXXXX4633	CHECKING	38,151.96

.....CHECKING/MMA ACCOUNT.....

ACCOUNT TITLE: Richard Levin

CHECKING	ACCOUNT NUMBER	XXXXXX9796	ENCLOSURES
ACCOUNT NUMBER			Statement Dates 8/01/19 thru 9/02/19
PREVIOUS BALANCE		3,783,251.83	33
7 DEPOSITS		57,450.74	
13 DEBITS		3,238,186.99	AVERAGE BALANCE 835,085.67
SERVICE CHARGE		.00	AVERAGE COLLECTED 835,085.67
INTEREST PAID		.00	
NEW BALANCE		602,515.58	

ACTIVITY IN DATE ORDER

DATE	DESCRIPTION	AMOUNT	BALANCE
8/01	PAYABLES	1,233.43	3,784,485.26
8/01	PAYABLES	1,656.12	3,786,141.38
8/01	PAYABLES	2,103.16	3,788,244.54
8/02	TREAS DRCT	2,586,395.50-	1,201,849.04
8/06	WIRE TRANSFER DEBIT	2,134.80-	1,199,714.24

IF YOUR NAME OR ADDRESS IS SHOWN INCORRECTLY, PLEASE COMPLETE THE SECTION
BELOW AND RETURN THIS SECTION TO US BY MAIL OR DELIVER TO OUR ADDRESS.

NAME _____
(PLEASE PRINT)

STREET
ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

DATE _____ AUTHORIZED
SIGNATURE _____

THIS CHANGE APPLIES TO: CHECKING ACCOUNT SAVINGS ACCOUNT MORTGAGE LOAN
 INSTALLMENT LOAN SAVINGS CERTIFICATE OTHER

↑ CUT ALONG THE DOTTED LINE ↑

USE THIS SECTION FOR RECONCILING YOUR ACCOUNT

CHECKS OUTSTANDING				DEPOSITS NOT ON STATEMENT		BEFORE RECONCILING • DEDUCT ANY SERVICE CHARGES OR OTHER DEBIT CHARGES ON STATEMENT FROM YOUR CHECKBOOK BALANCE • ADD ANY INTREST CREDITS OR OTHER CREDITS TO YOUR CHECKBOOK.
NUMBER	AMOUNT	NUMBER	AMOUNT			
		TOTAL FROM FIRST COLUMN				LAST BALANCE ON STATEMENT _____
						ADD DEPOSITS NOT ON STATEMENT + _____
						TOTAL _____
						DEDUCT TOTAL CHECKS OUTSTANDING _____
						YOUR CHECKBOOK SHOULD SHOW THIS BALANCE _____
						PLEASE CHECK CAREFULLY AND REPORT ANY DIFFERENCES
TOTAL TO TOP OF NEXT COLUMN		TOTAL CHECKS OUTSTANDING			TOTAL DEPOSITS	

**IN CASE OF ERRORS OR
QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS**

Telephone us at (866) 959-BANK or write us at United Bank, Operations Department, PO Box 9020, 95 Elm Street, West Springfield, MA 01090-9020, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

1. Tell us your name and account number.
2. Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

The following pertains to accounts established for personal, family, or household purposes only.

**BILLING RIGHTS SUMMARY
IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT**

If you think your statement is wrong, or if you need more information about a transaction on your statement, write us at United Bank, Operations Department, PO Box 9020, 95 Elm Street, West Springfield, MA 01090-9020, as soon as possible. We must hear from you no later than sixty (60) days after we sent you the first statement on which the error or problem appeared. You may telephone us, but doing so does not preserve your rights.

IN YOUR LETTER GIVE US THE FOLLOWING INFORMATION

1. Tell us your name and account number.
2. Tell us the dollar amount of the suspected error.
3. Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

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Date 8/30/19

Page 2

Richard Levin
Jenner & Block LLP
919 Third Ave.
New York NY 10022

Case Number: 18-10509
Case Name: Firestar Diamond Inc.
Debtor
Trustee Number: 520258
Trustee Name: Richard Levin
Trustee

CHECKING

XXXXXXXXXXXX9796 (Continued)

ACTIVITY IN DATE ORDER			
DATE	DESCRIPTION	AMOUNT	BALANCE
8/06	WIRE TRANSFER DEBIT	7,662.16-	1,192,052.08
8/06	WIRE TRANSFER DEBIT	29,235.00-	1,162,817.08

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Richard Levin
Jenner & Block LLP
919 Third Ave.
New York NY 10022

Case Number: 18-10509
Case Name: Firstar Diamond Inc.
Debtor
Trustee Number: 520258
Trustee Name: Richard Levin
Trustee

CHECKING

XXXXXXXXXXXX9796 (Continued)

ACTIVITY IN DATE ORDER

DATE	DESCRIPTION	AMOUNT	BALANCE
8/06	WIRE TRANSFER DEBIT	135,192.46-	1,027,624.62
8/06	WIRE TRANSFER DEBIT	172,817.18-	854,807.44
8/07	DEPOSIT	13,650.82	868,458.26
8/08	WIRE TRANSFER DEBIT	9,295.37-	859,162.89

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Richard Levin
Jenner & Block LLP
919 Third Ave.
New York NY 10022

Case Number: 18-10509
Case Name: Firestar Diamond Inc.
Debtor
Trustee Number: 520258
Trustee Name: Richard Levin
Trustee

CHECKING

XXXXXXXXXXXX9796 (Continued)

ACTIVITY IN DATE ORDER

DATE	DESCRIPTION	AMOUNT	BALANCE
8/08	WI RE TRANSFER DEBIT	78,253.21-	780,909.68
8/12	WI RE TRANSFER DEBIT	7,269.90-	773,639.78

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Richard Levin
Jenner & Block LLP
919 Third Ave.
New York NY 10022

Case Number: 18-10509
Case Name: Firestar Diamond Inc.
Debtor
Trustee Number: 520258
Trustee Name: Richard Levin
Trustee

CHECKING

XXXXXXXXXXXX9796 (Continued)

ACTIVITY IN DATE ORDER

DATE	DESCRIPTION	AMOUNT	BALANCE
8/13	AP PAYMENT	3,211.66	776,851.44
8/15	WIRE TRANSFER DEBIT	2,807.21-	774,044.23
8/16	DEPOSIT	6,971.34	781,015.57
8/21	DEPOSIT	28,624.21	809,639.78
8/22		176.52-	809,463.26
8/27	CHECK	6.23-	809,457.03
8/30	WIRE TRANSFER DEBIT	206,941.45-	602,515.58

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Richard Levin
 Jenner & Block LLP
 919 Third Ave.
 New York NY 10022

Case Number: 18-10509
 Case Name: Firstar Diamond Inc.
 Debtor
 Trustee Number: 520258
 Trustee Name: Richard Levin
 Trustee

CHECKING

XXXXXXXXXXXX9796 (Continued)

ACTIVITY IN DATE ORDER

DATE	DESCRIPTION	AMOUNT	BALANCE
	[REDACTED]		
	[REDACTED]		

CHECKS IN NUMBER ORDER

DATE	CHECK NO	AMOUNT
8/27	141	6.23

* DENOTES MISSING CHECK NUMBERS

ACCOUNT TITLE: Richard Levin

CHECKING	ENCLOSURES
ACCOUNT NUMBER	XXXXXXXXXXXX4617
PREVIOUS BALANCE	91,498.35
DEPOSITS	.00
DEBITS	.00
SERVICE CHARGE	.00
INTEREST PAID	.00
NEW BALANCE	91,498.35

ENCLOSURES	0
Statement Dates	8/01/19 thru 9/02/19
DAYS IN STATEMENT PERIOD	33
AVERAGE BALANCE	91,498.35
AVERAGE COLLECTED	91,498.35

ACCOUNT TITLE: Richard Levin

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Date 8/30/19

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Richard Levin
 Jenner & Block LLP
 919 Third Ave.
 New York NY 10022

Case Number: 18-10509
 Case Name: Firestar Diamond Inc.
 Debtor
 Trustee Number: 520258
 Trustee Name: Richard Levin
 Trustee

CHECKING
 ACCOUNT NUMBER XXXXXXXXXXXX4625
 PREVIOUS BALANCE 62,711.54
 1 DEPOSITS 600.00
 DEBITS .00
 SERVICE CHARGE .00
 INTEREST PAID .00
 NEW BALANCE 63,311.54

ENCLOSURES 0
 Statement Dates 8/01/19 thru 9/02/19
 DAYS IN STATEMENT PERIOD 33
 AVERAGE BALANCE 63,038.81
 AVERAGE COLLECTED 63,038.81

ACTIVITY IN DATE ORDER			
DATE	DESCRIPTION	AMOUNT	BALANCE
8/16	DEPOSIT	100002	600.00
			63,311.54

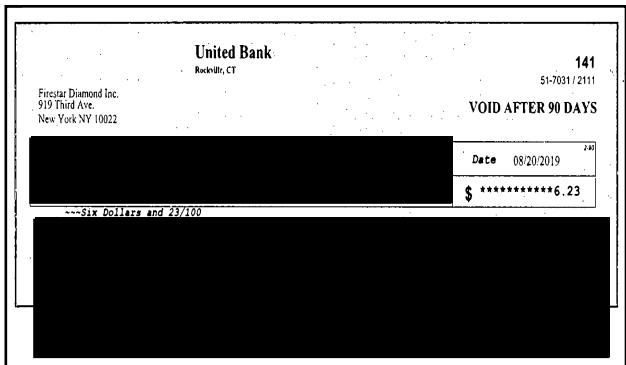
ACCOUNT TITLE: Richard Levin

CHECKING
 ACCOUNT NUMBER XXXXXXXXXXXX4633
 PREVIOUS BALANCE 26,037.96
 2 DEPOSITS 12,114.00
 DEBITS .00
 SERVICE CHARGE .00
 INTEREST PAID .00
 NEW BALANCE 38,151.96

ENCLOSURES 0
 Statement Dates 8/01/19 thru 9/02/19
 DAYS IN STATEMENT PERIOD 33
 AVERAGE BALANCE 34,953.96
 AVERAGE COLLECTED 34,953.96

ACTIVITY IN DATE ORDER			
DATE	DESCRIPTION	AMOUNT	BALANCE
8/07	DEPOSIT	8,464.00	34,501.96
8/16	DEPOSIT	3,650.00	38,151.96

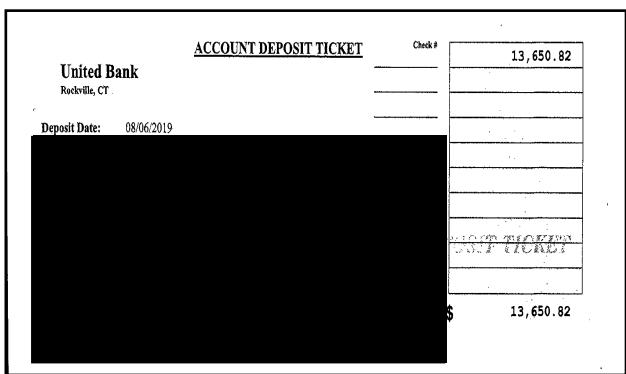
END OF STATEMENT



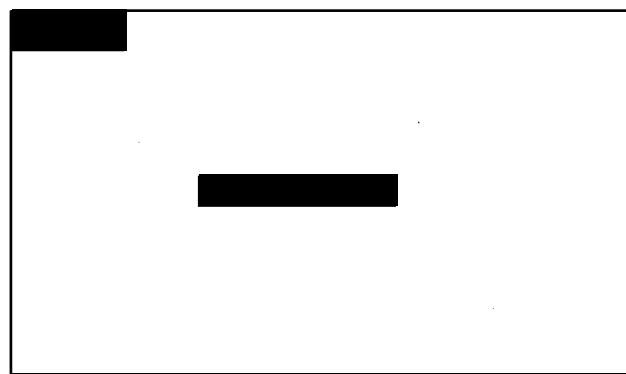
Check 141 Amount \$6.23 Date 8/20/2019



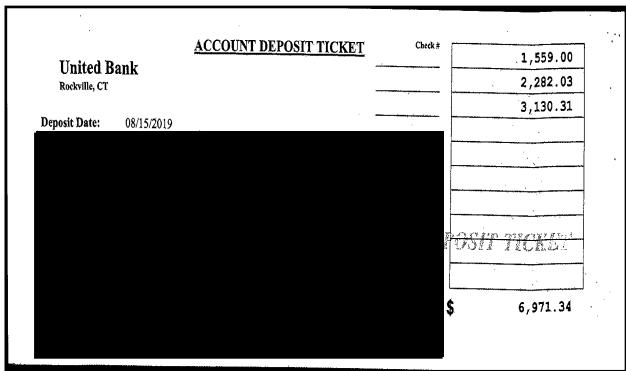
Check 141 Back



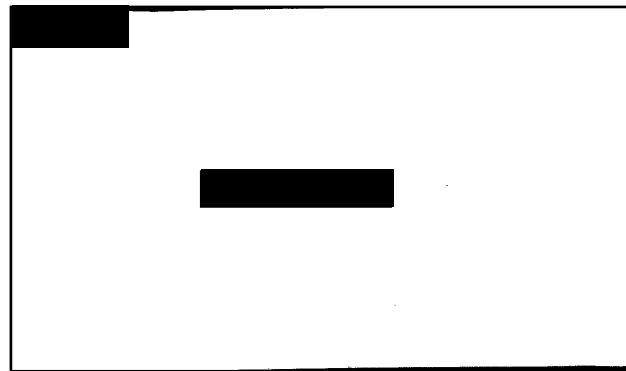
Amount \$13,650.82 Date 8/7/2019



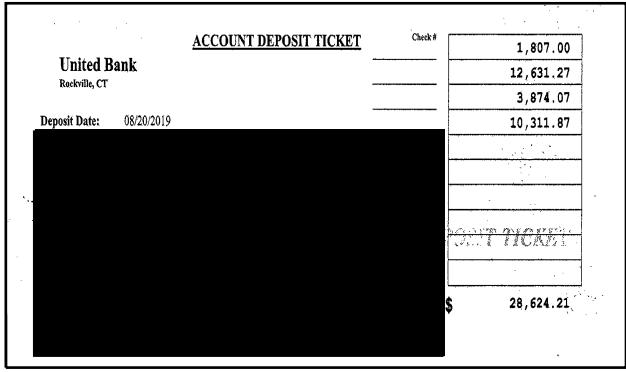
Date 8/7/2019 Back



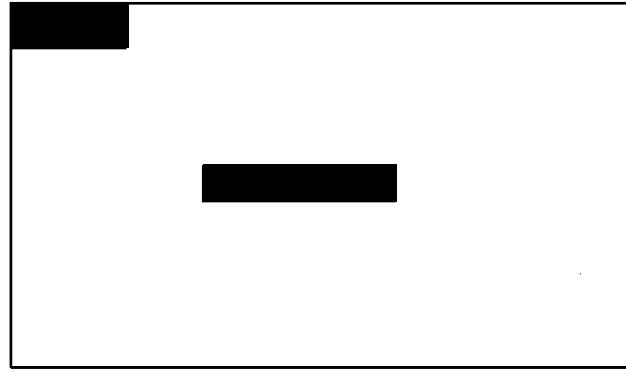
Amount \$6,971.34 Date 8/16/2019



Date 8/16/2019 Back



Amount \$28,624.21 Date 8/21/2019



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 Richard Levin
 Jenner & Block LLP
 919 Third Ave.
 New York NY 10022

Questions:
 (800) 634-7734
Banking@BMSAdvantage.com
 BMSAdvantage.com

Case Number: 18-10511
 Case Name: Fantasy Inc.
 Debtor
 Trustee Number: 520258
 Trustee Name: Richard Levin
 Trustee

SUMMARY OF ACCOUNTS

ACCOUNT NUMBER	TYPE OF ACCOUNT	ENDI NG BALANCE
XXXXXXXXXXXX9842	CHECKI NG	249, 876. 97
.....	CHECKI NG/MMA ACCOUNT.....
ACCOUNT TITL E: Richard Levin		
CHECKI NG	ENCLOSURES	0
ACCOUNT NUMBER	Statement Dates	8/01/19 thru 9/02/19
PREVI OUS BALANCE	DAYS IN STATEMENT PERI OD	33
DEPOSITS	AVERAGE BALANCE	249, 876. 97
1 DEBITS	AVERAGE COLLECTED	249, 876. 97
SERVI CE CHARGE		
INTEREST PAID		
NEW BALANCE		

ACTIVITY IN DATE ORDER

DATE	DESCRIPTION	AMOUNT	BALANCE
8/02	[REDACTED]	2, 984, 302. 50-	249, 876. 97

END OF STATEMENT

IF YOUR NAME OR ADDRESS IS SHOWN INCORRECTLY, PLEASE COMPLETE THE SECTION
BELOW AND RETURN THIS SECTION TO US BY MAIL OR DELIVER TO OUR ADDRESS.

NAME _____
(PLEASE PRINT)

STREET
ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

DATE _____ AUTHORIZED
SIGNATURE _____

THIS CHANGE APPLIES TO: CHECKING ACCOUNT SAVINGS ACCOUNT MORTGAGE LOAN
 INSTALLMENT LOAN SAVINGS CERTIFICATE OTHER

↑ CUT ALONG THE DOTTED LINE ↑

USE THIS SECTION FOR RECONCILING YOUR ACCOUNT

CHECKS OUTSTANDING				DEPOSITS NOT ON STATEMENT		BEFORE RECONCILING • DEDUCT ANY SERVICE CHARGES OR OTHER DEBIT CHARGES ON STATEMENT FROM YOUR CHECKBOOK BALANCE • ADD ANY INTREST CREDITS OR OTHER CREDITS TO YOUR CHECKBOOK.
NUMBER	AMOUNT	NUMBER	AMOUNT			
		TOTAL FROM FIRST COLUMN				LAST BALANCE ON STATEMENT _____
						ADD DEPOSITS NOT ON STATEMENT + _____
						TOTAL _____
						DEDUCT TOTAL CHECKS OUTSTANDING _____
						YOUR CHECKBOOK SHOULD SHOW THIS BALANCE _____
						PLEASE CHECK CAREFULLY AND REPORT ANY DIFFERENCES
TOTAL TO TOP OF NEXT COLUMN		TOTAL CHECKS OUTSTANDING			TOTAL DEPOSITS	

**IN CASE OF ERRORS OR
QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS**

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1. Tell us your name and account number.
2. Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

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**BILLING RIGHTS SUMMARY
IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT**

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1. Tell us your name and account number.
2. Tell us the dollar amount of the suspected error.
3. Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

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